

Message Text

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SUBJECT: VIEW FROM PIACENZA

1. PIACENZA, POOREST OF THE PROVINCES OF COMMUNIST CONTROLLED EMILIA REGION, FINALLY SUCCUMBED TO COMMUNIST CONTROL IN JUNE 15 ELECTIONS. WHILE DC-SOCIALIST MAJORITY STILL WAS POSSIBLE, SOCIALISTS PREFERRED BRING COMMUNIST INTO CITY GOVERNMENT AND DC INSISTED ON GOING INTO OPPOSITION.

2. CALLS ON LOCAL LEADERS OCTOBER 3 REVEAL GENERALLY SATISFACTORY ECONOMIC SITUATION EXCEPT FOR THREAT OF WHITE ARBOS CLOSING (MILAN'S 1780) THAT HAS CREATED QUITE A STIR IN A TOWN OF 100,000. LONG AN AGRICULTURAL CENTER LOSING POPULATION STEADILY, PIACENZA HAS SEEN ITS INDUSTRIAL ACTIVITY GROW SLOWLY. NOW, HOWEVER, INDUSTRY ACCOUNTS FOR ABOUT 45 PERCENT OF ITS INCOME WITH HIGHWAY TRANSPORT AN IMPORTANT SERVICE SECTOR. ALTHOUGH THERE IS A LOCAL SLOW DOWN OVERALL IN PIACENZA, AND THE ARBOS CLOSING IS A SERIOUS PROBLEM, IT IS ALSO WORTH NOTING THAT EXPORTS FOR THE FIRST QUARTER WERE UP 80 PERCENT OVER 1974. MOREOVER,

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EXCEPT FOR CHEESE, TOMATO PRODUCTS AND KNIT GOODS, LOCAL

EXPORTS TO THE US ARE IN GOOD SHAPE. SHOES, BUTTONS, MACHINERY AND PIPELINE EQUIPMENT ARE DOING WELL. IN FACT WERE IT NOT FOR THE ARBOS PROBLEM, PIACENZA WOULD NOT HAVE ANY SERIOUS ECONOMIC PROBLEM TO REPORT.

3. WHITE ARBOS FOREMOST IN EVERY CONVERSATION SINCE A HALF DAY GENERAL STRIKE HAD BEEN HELD OCTOBER 2 PROTESTING BOTH CLOSING AND EXECUTION BASQUE MILITANTS IN SPAIN. AT RISK ARE NOT ONLY 400 EMPLOYEES BUT ROUGHLY EQUAL NUMBER OF EMPLOYEES OF SUB-CONTRACTORS. PREFECT, BISHOP, MAYOR, HEADS OF DC AND PSI AS WELL AS CHAMBER OF COMMERCE URGED USG INTERVENE TO HELP FIND SOLUTION, AT LEAST DELAY CLOSURE FROM END NOVEMBER TO END MARCH TO ALLOW SEARCH FOR ALTERNATIVE OWNER.

4. CG TOOK POSITION THAT US MOST ANXIOUS AVOID LOCAL HARDSHIP CAUSED BY CLOSING AND GLAD TO USE GOOD OFFICES WHENEVER POSSIBLE BUT SINCE US DID NOT SUBSIDIZE UNECONOMIC ENTERPRISES AT HOME, COULD NOT ASK PRIVATE US FIRM CONTINUE TO LOSE MONEY. CONGEN ASKED WHETHER, IF WHITE AGREED EXTEND OPERATION UNTIL END MARCH, TRADE UNIONS AND COMMUNIST MAYOR COULD GUARANTEE ACCEPTANCE OF CLOSURE WITHOUT FURTHER INCIDENT WERE NO PURCHASER MEANWHILE LOCATED. THIS COULD BE IMPORTANT TO WHITE SINCE OCCUPATION OF PLANT OR SEIZURE BY LOCAL GOVERNMENT COULD PREVENT WHITE FROM RECOVERING ANY ASSETS.

5. COMMUNIST MAYOR FELICE TRABACCHI, UNIVERSALLY DESCRIBED IN PIACENZA AS HIGHLY REGARDED, SERIOUS, MODERATE AND EXPERIENCED SAID HE COULD VIRTUALLY GUARANTEE SUCH A CONDITION. BUT ANOTHER COMMUNIST COUNCILMAN, ALSO AN ARBOS EMPLOYEE, ACTED CONSIDERABLY LESS ENTHUSIASTIC AND OPTIMISTIC ABOUT THE IDEA. PRESIDENT OF CHAMBER OF COMMERCE DOUBTED COMMUNISTS COULD BRING OFF SUCH A DEAL EVEN IF WHITE WILLING AND INITIATIVE LEFT LOCALLY WITH HIM TO PURSUE.

6. MAYOR TURNED IN PUZZLING PERFORMANCE. LIKE MANY LOCAL PCI OR PSI LEADERS UPON WHOM CONGEN HAS PREVIOUSLY CALLED, HE INSISTED ON WITNESSES, INVITING IN TWO OTHER LIMITED OFFICIAL USE

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PCI COUNCILMEN. BUT UNLIKE ANY PREVIOUSLY, THEN CONDUCTED LOW COMEDY MONOLOGUE WITH ONLY BRIEF SERIOUS EXCHANGE ON WHITE ARBOS. CONTRAST WITH LOCAL REPUTATION SUGGESTS HE WAS WORRIED AT BEING COMPROMISED BY BEING CAUGHT WITH US OFFICIAL AND WANTED AVOID ANY SUBSTANTIVE DISCUSSION OF POLITICS. HE SUCCEEDED.

7. POLITICAL SITUATION SHOULD NOT WORRY COMMUNISTS

HOWEVER. LOCAL DC LEADERS QUITE PESSIMISTIC ABOUT FUTURE. DC SECRETARY POINTED OUT THAT DC AND OTHER CENTER PARTIES HAVE ONLY VOLUNTEER LEADERS WHILE PCI HAS FULL-TIME ORGANIZATION. THAT ESPECIALLY TRUE IN CITY HALL. PCI MAYOR WILL GIVE FULL WORKDAY TO JOB AS WILL OTHER PCI COUNCILMEN. FORMER DC MAYOR CAME TO OFFICE WHEN HE COULD GET AWAY FROM REGULAR JOB AND THAT CASE FOR DC CITY COUNCILMEN NOW, TOO. AMATEURS CAN'T MAKE MUCH OF A DENT ON PROS EVEN WHEN ENJOYING BENEFIT OF BEING IN OPPOSITION. NOR WAS HE ENTHUSIASTIC ABOUT COMUNIONE E LIBERAZIONE ALTHOUGH NOT SUGGESTING THAT ANY SUPPORT FOR THE DC SHOULD BE TURNED AWAY. CONSERVATIVE BISHOP ENRICO MANFREDINI, ON THE OTHER HAND, WHO FAVORED REFERENDUM ON DIVORCE, SPOKE VERY WARMLY ABOUT COMUNIONE E LIBERAZIONE. HE SAW IT AS WHITE HOPE AND SAID HE RESPONSIBLE FOR VATICAN ENDORSEMENT AT RECENT PESCARA GATHERING. SUBSEQUENT UNPREPARED VISIT TO COMUNIONE E LIBERAZIONE LOCAL OFFICES TURNED UP LEADER

AND THREE COLLABORATORS - ALL UNIVERSITY STUDENTS - WHO WERE STRONG ON DOCTRINE BUT ALSO GAVE SIGNS OF ORGANIZATION ACTIVITY AS WELL. FACT THAT COMUNIONE E LIBERAZIONE HAD ELECTED ITS CANDIDATE TO CITY COUNCIL ON JUNE 15 GAVE ITS LEADERSHIP CONFIDENCE THAT COMUNIONE E LIBERAZIONE APPROACH DID WORK.

8. SOCIALISTS WERE VERY CORDIAL BUT PRESSED CONGEN HARD FOR EXPLANATION OF US REFUSAL VISAS TO PCI LEADERS WHILE RECEIVING MSI LEADERS AT WHITE HOUSE. THEY GAVE NO EVIDENCE OF ENTHUSIASM FOR COMMUNISTS BUT SAID THAT ALLIANCE WITH DC HAD HURT THEM BADLY AND PARTY COULD NOT AFFORD TO GIVE PCI LUXURY OF STAYING IN OPPOSITION. NEVERTHELESS, SOCIALIST LEADERS WORRIED ABOUT HOW TO DIFFERENTIATE SELVES FROM PCI AND HAD NO GOOD ANSWER TO LIMITED OFFICIAL USE

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OFFER.

9. PIACENZA VISIT REINFORCES VIEW OF IMPORTANCE US SHOWING FLAG IN PROVINCES WHERE ANTI-COMMUNIST LEADERS FEELING DESERTED, BELEAGUED AND IN NEED OF RE-ASSURANCE ABOUT US POLICY AND MOTIVES. ALSO SUGGESTS THAT LOCAL CHURCHMEN LOOKING HOPEFULLY AT COMUNIONE E LIBERAZIONE TO RETRIEVE SITUATION, WITH HOW MUCH JUSTIFICATION NOT YET CLEAR. FINALLY, LOCAL ECONOMIC SITUATION LOOKED CONSIDERABLY BETTER THAN PORTRAYED IN MILAN PRESS.FINA

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